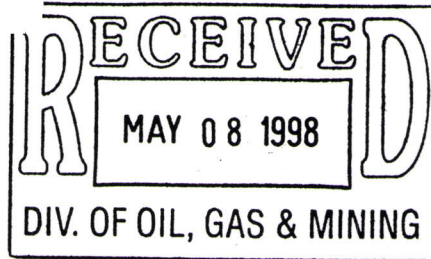


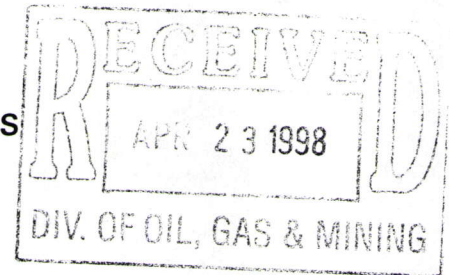
FORM MR-RC  
Revised April 7, 1998  
RECLAMATION CONTRACT



File Number M/045/006

Effective Date May 20, 1998

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION of OIL, GAS and MINING  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940



### RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)	<u>M/045/006</u>
(Mineral Mined)	<u>Clay</u>
"MINE LOCATION":	
(Name of Mine)	<u>Fivemile Pass</u>
(Description)	<u>NW1/4, SW1/4, E1/2, SW1/4, W1/2, SE1/4</u>
	<u>Section 32, T6S, R3W, SLBM</u>
	<u>Portions of Sections 4, 5, T7S, R3W, SLBM</u>
"DISTURBED AREA":	
(Disturbed Acres)	<u>47.68 Acres</u>
(Legal Description)	<u>(refer to Attachment "A")</u>
"OPERATOR":	
(Company or Name)	<u>Pacific Coast Building Products dba</u>
(Address)	<u>Interstate Brick Company</u>
	<u>9780 South 5200 West</u>
	<u>West Jordan, Utah 84084</u>
(Phone)	<u>(801) 280-5200</u>

"OPERATOR'S REGISTERED AGENT":

(Name)

Jerry North

(Address)

Interstate Brick Company

9780 South 5200 West

West Jordan, Utah 84084

(Phone)

(801) 280-5200

"OPERATOR'S OFFICER(S)":

David Lucchetti, President

Nick Kalanges, Chief Financial Officer

"SURETY":

(Form of Surety - Attachment B)

Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

National Fire Insurance Company of Hartford

#

"SURETY AMOUNT":

(Escalated Dollars)

\$123,100

"ESCALATION YEAR":

2003

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Pacific Coast Building Products dba Interstate Brick Company the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/045/006 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated March 2, 1977, and the original Reclamation Plan dated March 2, 1977. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face

amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Pacific Coast Building Products dba  
Interstate Brick Company  
Operator Name

By Nick Kalanges  
Authorized Officer (Typed or Printed)

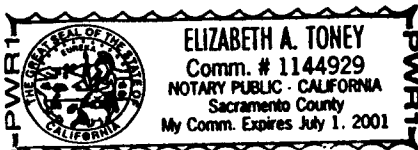
Chief Financial Officer  
Authorized Officer - Position

Nick Kalanges CFO  
Officer's Signature

5-15-98  
Date

STATE OF California )  
 ) ss:  
COUNTY OF Sacramento )

On the 15th day of May, 19 98, personally  
appeared before me Nick Kalanges who being by  
me duly sworn did say that he/~~she~~, the said Nick Kalanges  
is the Chief Financial Officer of Pacific Coast Building Products, Inc.  
and duly acknowledged that said instrument was signed on behalf of said company  
by authority of its bylaws or a resolution of its board of directors and said  
Nick Kalanges duly acknowledged to me that said  
company executed the same.



Elizabeth A. Toney  
Notary Public  
Residing at: Sacramento, California

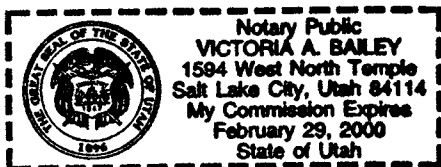
July 1, 2001  
My Commission Expires:

DIVISION OF OIL, GAS AND MINING:

By Lowell P. Braxton 5/20/98  
Lowell P. Braxton, Acting Director Date

STATE OF UTAH )  
 ) ss:  
COUNTY OF SALT LAKE )

On the 20<sup>th</sup> day of MAY, 1998, personally appeared before me LOWELL P. BRAXTON, who being duly sworn did say that he/~~she~~, the said LOWELL P. BRAXTON is the Acting Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/~~she~~ duly acknowledged to me that he/~~she~~ executed the foregoing document by authority of law on behalf of the State of Utah.



Victoria A. Bailey  
Notary Public  
Residing at: SALT LAKE CITY, UTAH

February 29, 2000  
My Commission Expires:

**ATTACHMENT "A"**

Pacific Coast Building Products dba Interstate Brick Company	Fivemile Pass
Operator	Mine Name
M/045/006	Tooele
Permit Number	County, Utah

**The legal description of lands to be disturbed is:**

NW1/4, SW1/4; E1/2, SW1/4; W1/2, SE1/4;  
Section 32, Township 6 South, Range 3 West

Portions of: Sections 4 and 5, Township 7 South, Range 3 West  
SLBM, Tooele County

## ATTACHMENT B

MR FORM 6  
Joint Agency Surety Form

(April 7, 1998)

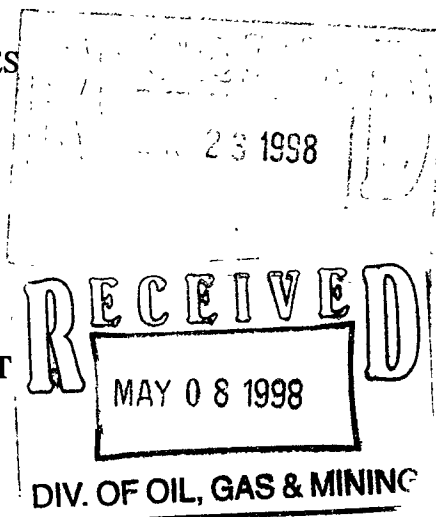
Bond Number \_\_\_\_\_  
Permit Number M/045/006  
Mine Name Fivemile Pass

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
Division of Oil, Gas and Mining  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
Fax: (801) 359-3940

### THE MINED LAND RECLAMATION ACT

#### SURETY BOND

\*\*\*\*\*



Pacific Coast Building Products dba  
The undersigned Interstate Brick Company as Principal, and  
National Fire Insurance Co of Hartford as Surety, hereby jointly and severally bind ourselves, our  
heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas  
and Mining, and the USDI Bureau of Land Management, in the penal sum of -----  
One hundred twenty-three thousand one hundred dollars (\$123,100.00-----).

Principal has estimated in the Mining and Reclamation Plan approved by the Division of  
Oil, Gas and Mining on the 23rd day of June, 1989, that 47.68 acres of land will be  
disturbed by this mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the  
Reclamation Contract of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has  
satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and Reclamation  
Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied  
with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void;  
otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the  
disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and regulations, then  
Principal may apply for a reduction in the amount of this Surety Bond.



In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by the Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Pacific Coast Building Products dba  
Interstate Brick Company  
Principal (Permittee)

4-20-98  
Date

NICK KALANGES

By (Name typed):

CHIEF FINANCIAL OFFICER

Title

Nick Kalanges CFO  
Signature

Surety Company National Fire Insurance Company of Hartford

Thomas R. Hucik  
Company Officer

April 20, 1998  
Date

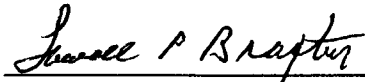
Attorney-in-Fact

Title/Position

By:

[Signature]  
Signature

SO AGREED this 20 day of May, 1998.



\_\_\_\_\_  
Lowell P. Braxton, Acting Director  
Utah State Division of Oil, Gas and Mining

\*NOTE: Where one signs by virtue of Power of Attorney for a Surety Company, such Power of Attorney must be filed with this bond. If the Principal is a corporation, the bond shall be executed by its duly authorized officer.

### AFFIDAVIT OF QUALIFICATION

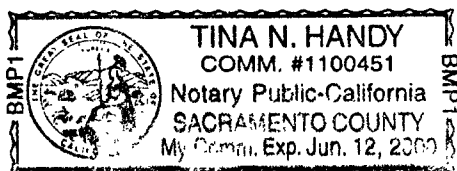
On the 20th day of April, 19 98, personally appeared before me Thomas R. Hucik who being by me duly sworn did say that he/~~she~~, the said Thomas R. Hucik is the Attorney-in-Fact of National Fire Insurance Company of Hartford and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said Thomas R. Hucik duly acknowledged to me that said company executed the same, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

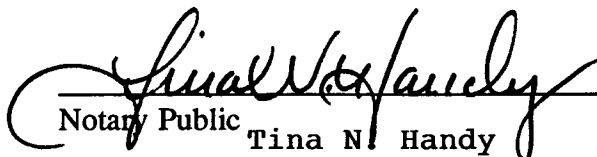
Signed:   
Surety Officer Thomas R. Hucik

Title: Attorney-in-Fact

STATE OF California )  
 ) ss:  
COUNTY OF Sacramento )

Subscribed and sworn to before me this 20th day of April, 19 98.



  
Notary Public Tina N. Handy  
Residing at: Folsom, California

My Commission Expires:

June 12, 2000  
19

**National Fire Insurance Company  
of Hartford**



For All the Commitments You Make<sup>®</sup>

Office/Chicago, Illinois

**POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT**

Know All Men by these Presents, That the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, a corporation duly organized and existing under the laws of the State of Connecticut, and having its general administrative office in the City of Chicago, and State of Illinois, does hereby make, constitute and appoint Thomas R. Hucik, Tina N. Handy, Individually

of Rancho Cordova, California

its true and lawful Attorney-in-Fact with full power and authority hereby conferred to sign, seal and execute in its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of NATIONAL FIRE INSURANCE COMPANY OF HARTFORD and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following Resolution duly adopted on February 17, 1993 by the Board of Directors of the Company.

**RESOLVED:** That the Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President of the Corporation may, from time to time, appoint, by written certificates, Attorneys-in-Fact to act in behalf of the Corporation in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such Attorney-in-Fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Corporation by their signature and execution of any such instrument and to attach the seal of the Corporation thereto. The President, an Executive Vice President, any Senior or Group Vice President or the Board of Directors may at any time revoke all power and authority previously given to any Attorney-in-Fact.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

**RESOLVED:** That the signature of the President, an Executive Vice President or any Senior or Group Vice President and the seal of the Corporation may be affixed by facsimile on any power of attorney granted pursuant to the Resolution adopted by this Board of Directors on February 17, 1993 and the signature of a Secretary or an Assistant Secretary and the seal of the Corporation may be affixed by facsimile to any certificate of any such power, and any power or certificate bearing such facsimile signatures and seal shall be valid and binding on the Corporation. Any such power so executed and sealed and certified by certificate so executed and sealed, shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Corporation.

In Witness Whereof, the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD has caused these presents to be signed by its Group Vice President and its corporate seal to be hereto affixed this 16th day of November, 19 94.

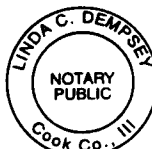
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD



M. C. Vonnahme Group Vice President.

State of Illinois, County of Cook, ss:

On this 16th day of November, 19 94, before me personally came M. C. Vonnahme, to me known, who, being by me duly sworn, did depose and say: that he resides in the Village of Darien, State of Illinois; that he is a Group Vice President of the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, the corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.



Linda C. Dempsey  
Linda C. Dempsey  
My Commission Expires October 19, 1998 Notary Public.

**CERTIFICATE**

I, George R. Hobaugh, Assistant Secretary of the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the Resolutions of the Board of Directors, set forth in said Power of Attorney are still in force. In testimony whereof I have hereunto subscribed by name and affixed the seal of the said Company this

20th day of April, 19 98.



George R. Hobaugh

Assistant Secretary.